

# COLORADO

## Department of Local Affairs

Division of Housing

## Homelessness in Colorado

Kristin Toombs, Director, Office of Homeless Initiatives September 21, 2021











## Office of Homeless Initiatives: The Playbook

# MAKING HOMELESSNESS HISTORY IN COLORADO

### THE VISION

Our vision is that everyone in Colorado has a safe, stable, and affordable place to live. We can create a future where homelessness is rare and brief when it occurs, and no one gets left behind.

## **Leading Causes**

Lack of Affordable Housing Health Challenges Systemic Inequities

### The Need

~10,000 PIT 23,000+ Students 53,000+ Medicaid

Outcomes 85% Stay Housed Reduced Costs

### Proven Solutions

Prevention/Diversion
Coordinated Efforts
Housing-Focused Outreach
Low-Barrier Shelter
Housing + Services

Emergency Room Visits decreased 24% - 34%

Hospital Days decreased 27% - 29% Psych Admissions decreased 82% - 87%

Medicaid Costs decreased 41% - 67% Justice Involvement decreased 42% - 45% Stable Housing achieved 79% - 93%

















# Leading Causes of Homelessness



## Lack of Affordable Housing

- Leading cause of homelessness is economic: housing costs are higher than income.
- McKinsey & Co. reports highest correlation to homelessness is increasing rent.
- \$27.50 = Hourly wage needed to rent a 2 bedroom in CO, ranking us 9th most expensive in the country.
- Denver is 2nd only to San Francisco for gentrification.
- Many households loose income when fleeing violence, household conflict, or sudden crisis.
- Many are working and still homeless.

## Health Challenges

- 40% have a disabling condition. 55% of families self-report having experienced trauma in Denver Area.
- Medical care costs are #1 reason for bankruptcy in US.
- People experiencing homelessness disproportionately overdose in CO. 84% unsheltered self-report physical health condition in US. Denver saw a 90% increase in overdose for people living outside in 2021 compared to 2020.
- Homelessness itself causes trauma. For some, behavioral health needs are part of the cause of homelessness.
- Regardless of which led to the other, evidence shows pairing housing and services is the most effective solution.

## **Systemic Inequities**

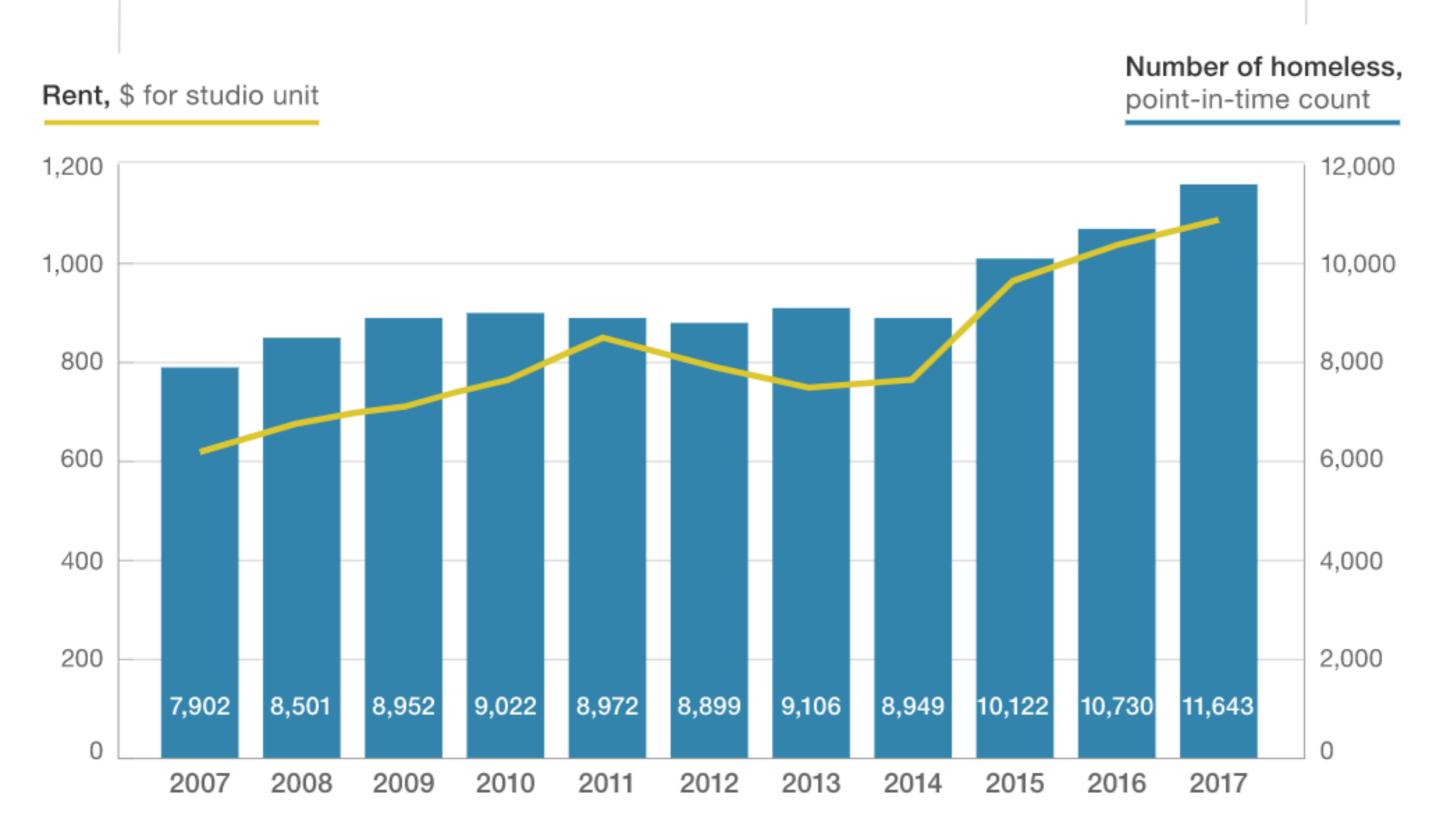
- 57% of individuals are BIPOC, in Denver.
- 40% of youth are LGBTQA+ & 40% were in Foster Care, nationally and in CO.
- BIPOC & LGBTQA+ are disproportionately homeless.
- Households headed by single mothers of color make up the largest percentage of evictions in the US.



# Leading Causes of Homelessness



Fair-market rent (FMR) and homeless population in King County —



### FACTS ABOUT COLORADO:

STATE FACTS			
Minimum Wage	\$12.32		
Average Renter Wage	\$20.42		
2-Bedroom Housing Wage	\$27.50		
Number of Renter Households	747,259		
Percent Renters	35%		

MOST EXPENSIVE AREAS	HOUSING WAGE
Boulder MSA	\$33.15
Eagle County	\$32.98
Pitkin County	\$32.90
Summit County	\$30.90
Denver-Aurora-Lakewood MSA	\$30.87

MSA = Metropolitan Statistical Area: HMFA = HUD Metro FMR Area.

Work Hours Per Week At
Minimum Wage To Afford a 2-Bedroom
Rental Home (at FMR)

2.2
Number of Full-Time Jobs At
Minimum Wage To Afford a
2-Bedroom Rental Home (at FMR)

72
Work Hours Per Week At
Minimum Wage To Afford a 1-Bedroom
Rental Home (at FMR)

1.8

Number of Full-Time Jobs At

Minimum Wage To Afford a

1-Bedroom Rental Home (at FMR)



<sup>\*</sup> Ranked from Highest to Lowest 2-Bedroom Housing Wage. Includes District of Columbia and Puerto Rico.



# Need: By the Faces



Seniors



Youth



Veterans



Those w/ a disabling condition



Fleeing Domestic Violence









# Need: CO by the Numbers



## 9,846

People in shelters, transitional housing, or unsheltered one night in Jan.

4,553 Shelter; 2,913 Unsheltered; 2,380 Transitional Housing 2,954 Chronic; 2,795 SMI; 2,339 SUD; 1,004 Vet; 937 DV; 634 Youth (2020 HUD Point in Time Count)

## 14,600+

Individuals estimated to need housing units with services in CO. (2019 CSH)

## 21,420

Students experiencing homelessness, doubled-up, or unstably housed. (2019-20 school year, McKinney-Vento liaisons)

## 53,000+

Individuals without stable housing covered by CO Medicaid. (2019 HCPF Medicaid data)



## The Need: Non-Metro Area



#### **El Paso County**

1,339 Total

943 Total Single Individuals

396 Total People in Families

621 Total Sheltered

358 Total Unsheltered

360 Total Transitional Housing

284 Total Chronically Homeless

157 Total Veterans

88 Total Youth

#### **Larimer & Weld Counties**

765 Total

591 Total Single Individuals

174 Total People in Families

496 Total Sheltered

196 Total Unsheltered

73 Total Transitional Housing

207 Total Chronically Homeless

69 Total Veterans

53 Total Youth

#### **Balance of State**

1,638 Total

1,375 Total Single Individuals

263 Total People in Families

525 Total Sheltered

798 Total Unsheltered

315 Total Transitional Housing

284 Total Chronically Homeless

191 Total Veterans

156 Total Youth



A PROGRAM OF CHO







## The Need: Metro Denver Area



Boulder, Broomfield, Adams, Arapahoe, Denver, Douglas, Jefferson Counties

### 6,104 Total

4,650 Total Single Individuals

1,454 Total People in Families

2,911 Total Sheltered

1,561 Total Unsheltered

1,632 Total Transitional Housing

284 Total Chronically Homeless

627 Total Veterans

328 Total Youth

### Denver Spotlight:

- . 13% of state general population.
- . 45% of shelter beds.
- 35% of people in shelters
   are not from Denver.





# Homelessness & COVID-19 Spotlight: Denver Metro Area



The Metro Denver Jan. 2021 PIT shows a 22% increase in shelter since Jan. 2020 (5,530 from 4,543).

Family sheltered homelessness increased by 10%

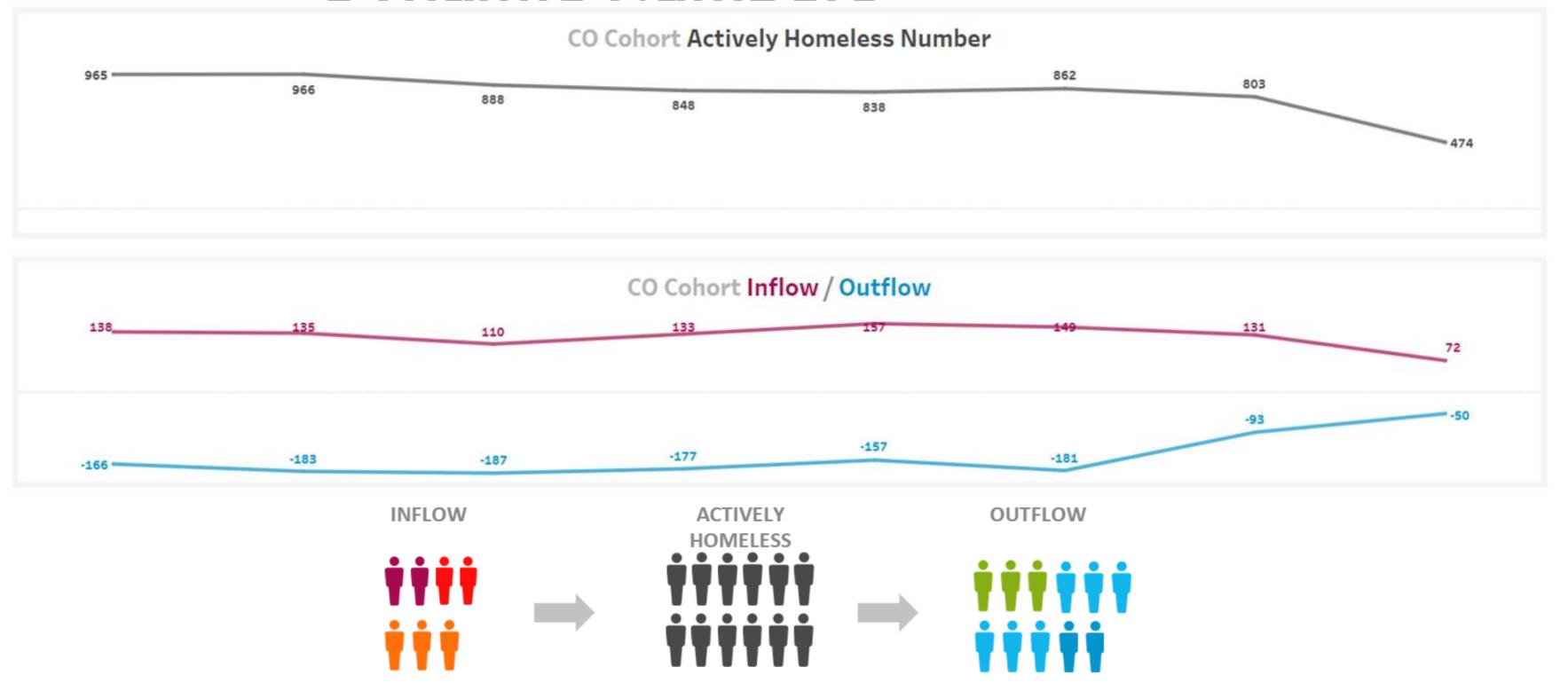
Individual sheltered homelessness increased by 27%

18% of the sheltered population (1,035 of the 5,530) were chronically homeless, while there was a <u>doubling</u> of the number of people experiencing homelessness for the first time.

Veteran sheltered homelessness <u>decreased</u> by 10%. There has been a focused effort on reducing Veteran homelessness through the Built for Zero initiative.

People experiencing homelessness have been disproportionately impacted by the pandemic.

## **Dvnamic Numbers -**







INFLOW:







# MAKING HOMELESSNESS HISTORY IN COLORADO

## THE VISION

Our vision is that everyone in Colorado has a safe, stable, and affordable place to live. We can create a future where homelessness is rare and brief when it occurs, and no one gets left behind.

### PROVEN SOLUTIONS

## PREVENTION & DIVERSION

Programs that identify people at high risk of homelessness and provide supports that can help them to avoid it can help reduce the number of people entering homelessness.

#### ANTI-POVERTY SUPPORTS

Programs that provide non-housing support to families living in poverty (e.g. childcare, health benefits, etc.) can help lessen the overall cost burden for people at risk of homelessness.

#### COORDINATED ENTRY SYSTEMS

Standardized and coordinated systems of care over a given geographic area can help ensure that homelessness services are provided equitably, efficiently, and effectively.

#### STREET OUTREACH

Street outreach programs can help to identify and help people who feel unsafe or otherwise unable to come into traditional shelters.

#### LOW-BARRIER SHELTERS

Shelters without restrictive entry requirements can help keep people safe while they work with the system to identify resources and next steps.

#### RAPID RE-HOUSING

Providing families
and some individuals
experiencing
homelessness with
steeply declining
subsidies for market-rate
rental housing can help
resolve an immediate
financial crisis.

## SUPPORTIVE

For individuals with severe physical or mental health needs, providing heavily subsidized homes with live-in health support services can help to ensure those individuals stay safe, stable, and secure.

#### AFFORDABLE RENTAL HOUSING

Ensuring that a given geographic area has enough affordable rental housing to meet its population's needs can help prevent families & individuals from falling into homelessness.

## HOME OWNERSHIP SUPPORTS

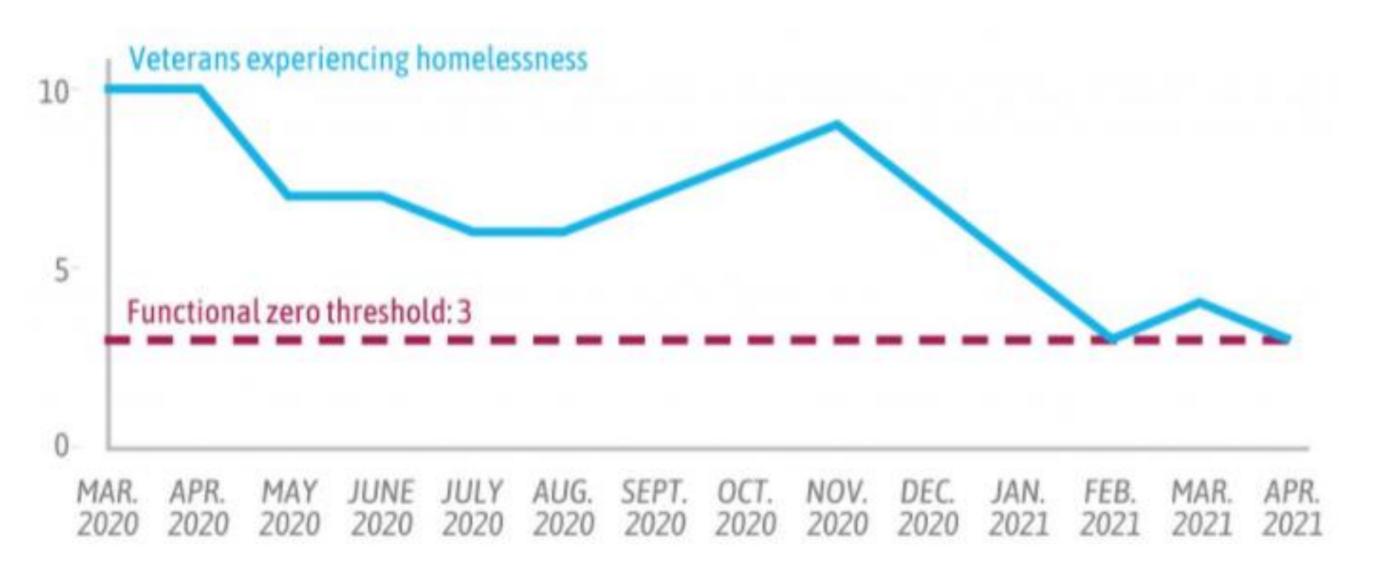
Providing opportunities for low- and middleincome families to purchase homes can help protect these families against rent increases and gentrification that can cause homelessness.



# Spotlight Example



# Fremont County, CO reaches functional zero for veteran homelessness



#### How Did They Get there?

- ⋆ Quality Data
- Supportive Housing
- Outreach and Emergency Services
- ⋆ Housing Navigation
- ⋆ Local Coordination & Support



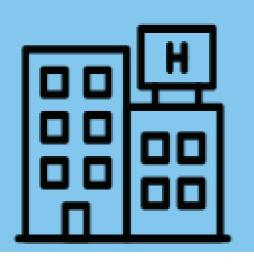
# Why Prioritize Permanent Housing + Services

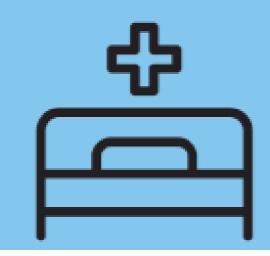


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Source: Corporation for Supportive Housing (CSH)

85% Stay Housed in DOH programs

Example: DOH Re-entry BH housing programs
With Services = 95% Housing Stability

Without Services = 47% Housing Stability

















COLORADO

**Department of Local Affairs** 

ARPA Recovery, What we

Know

Affordable Housing and Home Ownership \$500M for housing

- HB21-1329 appropriates \$98.5M to DOH immediately.
- \$1.5M Eviction Legal Defense Fund
- Interim task force to determine \$400M

\$305M additional Emergency Rental Assistance to continue ERAP

\$175M Homeowner Assistance Fund

1,023 Emergency Housing Vouchers

\$66M HOME ARP funds



## 2021 State Stimulus Bills

SB21-242



#### **New Funding**

Housing Development Grants Hotels Tenancy Support Program (\$30M).

#### Program Description

This program provides funds to DOLA to support the purchase of underutilized hotels/motels for affordable housing or to lease rooms in these properties for those in need of affordable housing, including individuals experiencing homelessness.

Short term loans to quickly acquire property Low interest / no payments

Acquisition loan will be paid off upon closing of perm financing

Perm financing is eligible to use DOH gap funds

NOFA to be released September 2021.

#### **New Funding**

DOLA Innovative Affordable Housing Strategies (\$48M).

#### **Program Description**

Incentivize local governments to adopt land use policies which promote the creation of affordable housing.

Provide grants to local governments to create and make use of new land use policies which promote the creation of affordable housing.

Provide funding for local communities to go through a DOLA housing development toolkit to help them conceive of, plan for, construct and operate new housing.

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HB21-1271



# HB21-1329 - Initial ARPA Housing funds (\$98.5M)



#### **Acquisition Fund**

Up to \$35M available for property acquisition.

- Short term, low interest loans
- Eligible Properties
  - Land
  - Existing residential
  - Existing other use

Funds to be repaid with perm financing



#### **Investment Funds**

Up to \$70M available to invest in existing affordable housing funds.

DOH to loan capital into non-profits, CDFIs, traditional financial institutions, affordable housing investment funds.

DOH funds to leverage affordable housing financing already being undertaken by these partner funds.



#### **LIHTC Supplemental Grants**

Up to \$25M to grant alongside CHFA Round 1 (9%) LIHTC awards

- Intended to stretch the 9% LIHTC resource to more projects
- Awarded to projects as a grant
- Project/applicant still eligible for traditional DOH gap funding as needed
- Intended as an optional resource for LIHTC applicants

Housing Recovery Office

Oversee Emergency Rental Assistance and Homeowner Assistance Funds

Welcome Office Director, Sarah Buss

Watch for additional position announcements:

Program Managers for Rental and Homeownership

**Budget Analysts** 

Program Assistants



# Evolution of Renter Relief Programs



## **Emergency Housing Assistance Program (EHAP)**

- Ran from April 2020 through March 2021
- Served renters and homeowners
- Tenants applied for assistance
- Households must have earned less than 80-100% AMI, experienced financial hardship due to the economic disruption caused by COVID-19.



## Property Owner Preservation Program (POP)

- Ran from August 2020 through February 2021
- Served renters
- Rental Property owners and mobile home parks apply directly online to DOH
- Program-specific HAP contract executed to receive payment in arrears
- Residents must attest to financial hardship



## **Emergency Rental Assistance Program (ERAP)**

- Runs from March 2021 through 2024
- Serves renters
- Owners, managers, and tenants may all apply
- Can also fund housing stability services
- Households up to 80% AMI

# State and Local Fiscal Recovery Fund Overview

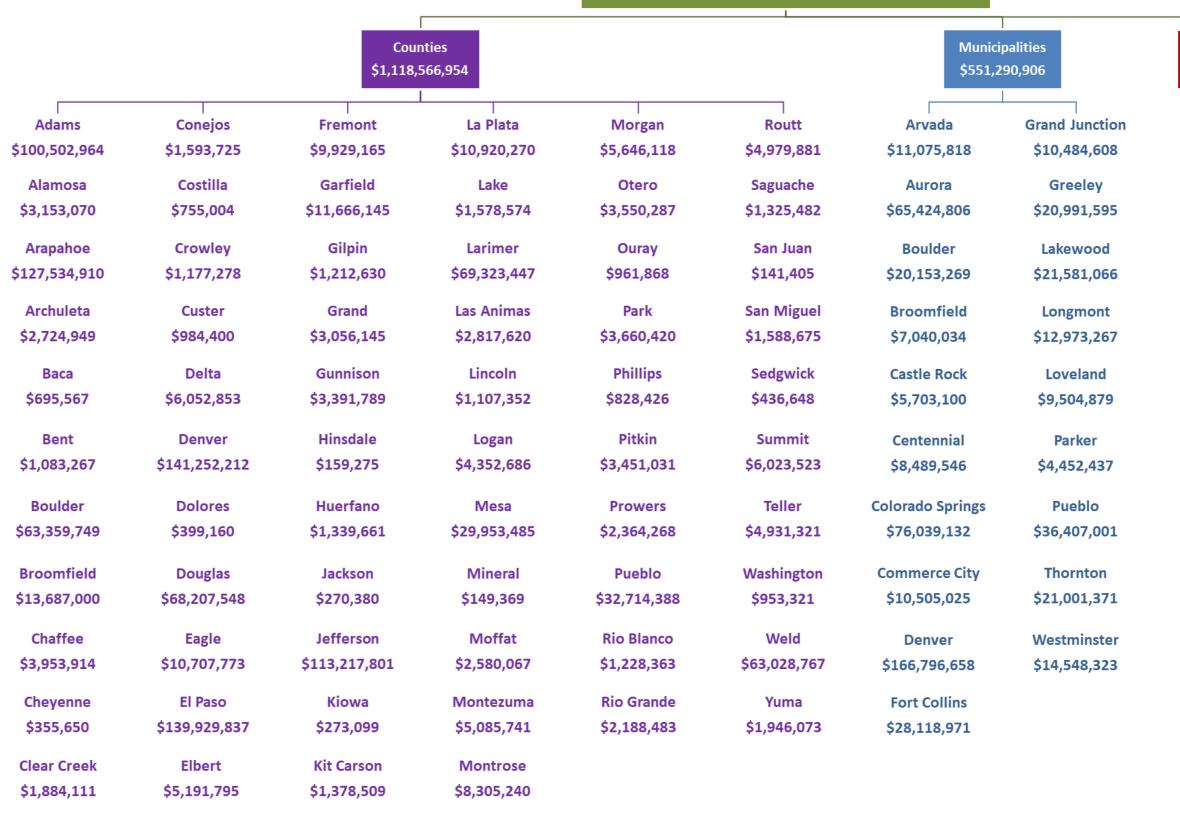
#### U.S. Department of the Treasury

American Rescue Plan: State and Local Fiscal Recovery Funds (SLFRF)

\$5,498,619,650

Colorado

\$3,828,761,790





# Housing-Related Relief Funding Overview

Funding Source	Agency	Program	Purpose
SLFRF	Unknown Agencies	Unallocated SLFRF	Unknown Purpose \$400M
	DLG AH Development	ation Assistance Program t Incentive Grant Program Planning Grant Program vitalization Grant Program	Sustainability \$65M Community Planning \$46M Community Development \$ 95M
U.S. Treasury	Affordable Housin	Revitalizing Main Streets g Guided Toolkit Program	Rental Assistance \$728M
HUD	Emergency H	Housing Voucher Program	Homeowner Assistance \$175M
	Hon	neowner Assistance Fund Housin	g Development & Preservation \$95M
Affordable Housing Investment Funds LIHTC Supplemental Grants Operation Turnkey HOME-ARP		HTC Supplemental Grants Operation Turnkey	Homelessness \$85M











COLORADO

**Department of Local Affairs** 

## Outline

- 1. What Housing Needs do Coloradans Have?
- 2. Who Needs Affordable Housing?
- 3. Where is Affordable Housing Needed?
- 4. What Housing is Needed?



What
Housing
Needs do
Coloradans
Have?

# Residual Income for Households Earning \$0-\$50k in CO, 2019

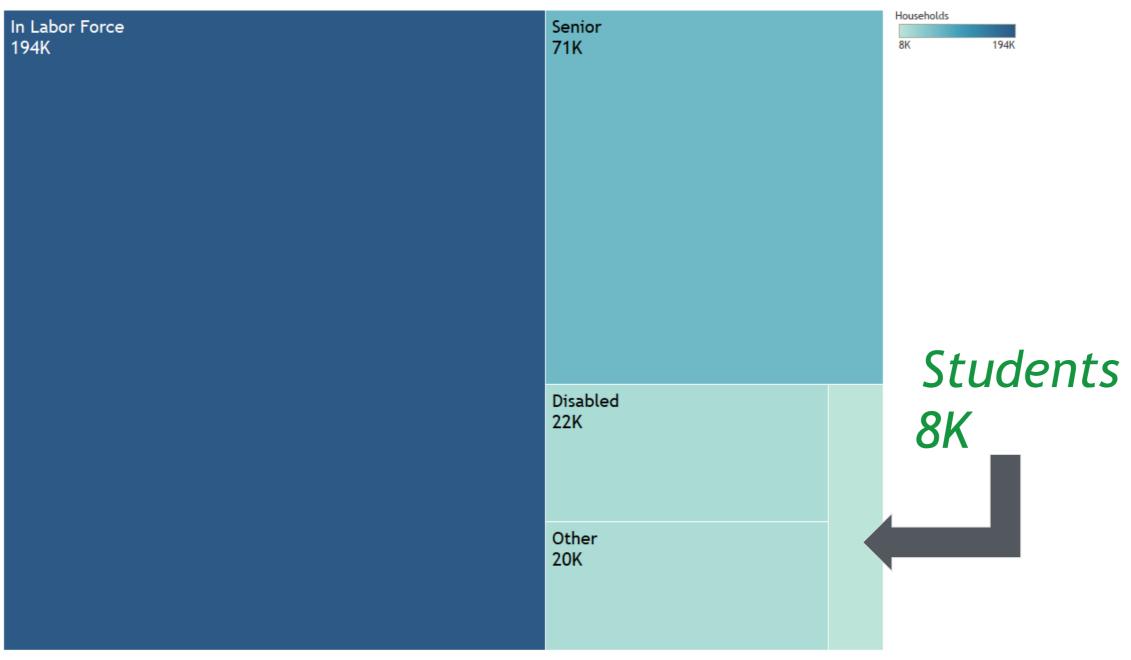




Who Needs
Affordable
Housing?

# Housing Needs - Overall

Households Spending Over 50% of Income on Housing by Demographic Category, Colorado 2019

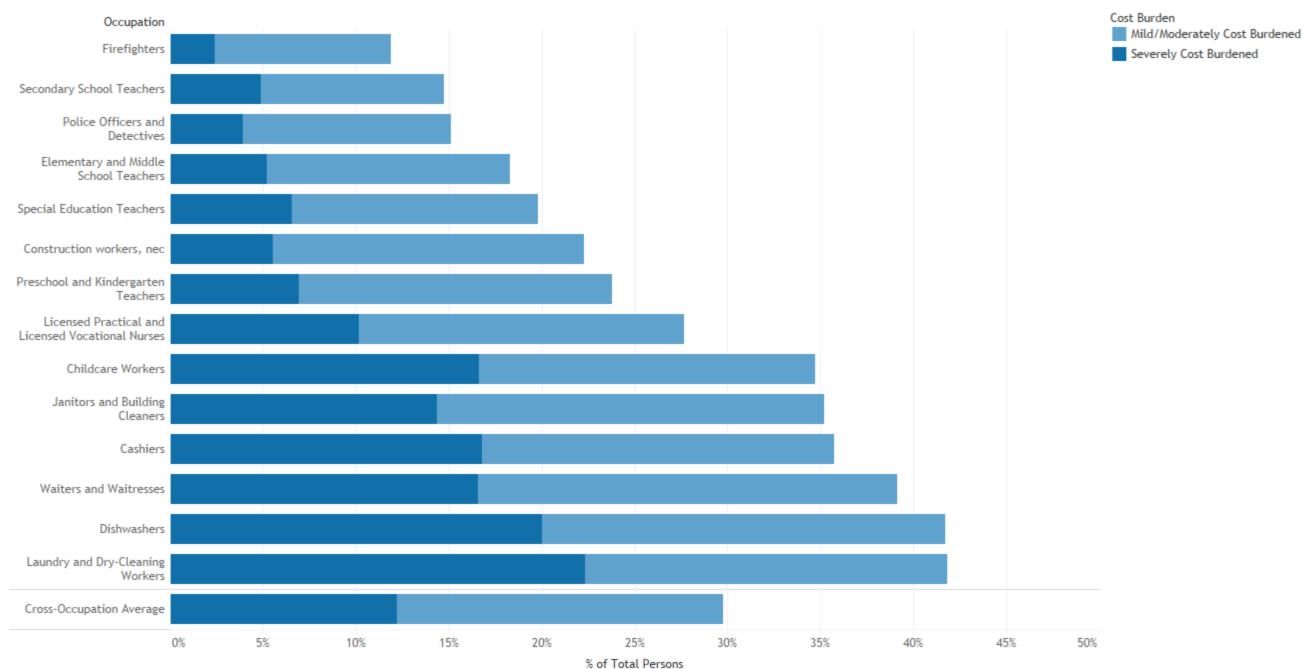


Source: Department of Local Affairs, Division of Housing tabulations of U.S. Census Bureau American Community Survey 1-Year Estimates for 2019, dataset provided by IPUMS USA, University of Minnesota, www.ipums.org.

Notes: All categories are mutually exclusive. Households with 1 or more person in the labor force are considered "In Labor Force", households with 1 or more persons aged 62 or over are "Senior", households receiving Supplemental Security Income are "Disabled", households with one or more students are "Student", households that do not match the above criteria are "Other". All households are bucketed into these categories in a descending fashion.

# Housing Needs - Occupations

#### Cost Burden Rate of Selected Occupations in Colorado by Cost Burden Level, 2019



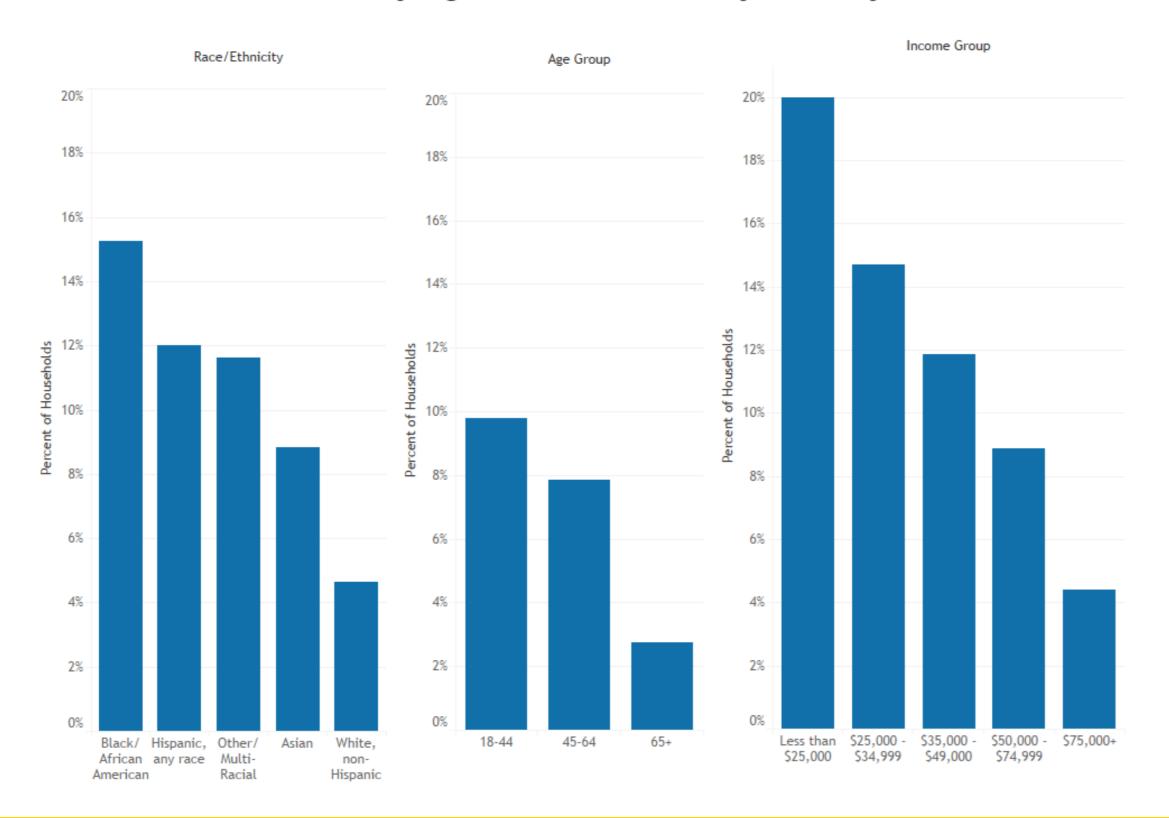
Source: Department of Local Affairs, Division of Housing tabulations of U.S. Census Bureau American Community Survey 5-Year Estimates for 2015-2019, dataset provided by IPUMS USA, University of Minnesota, www.ipums.org.

# Housing Needs - Senior Senior Senior Cost Burden by Mortgage Status

certification burdent by Prortiguese status				
Owned Free and Clear 252K	Mortgage Being Paid Off 193K	Mortgage Being Paid Off 60K	Renter 37K	Cost Burden Not Cost Burdened Mild/Moderately Cost Burdened Severely Cost Burdened
		Owned Free and 18K	Clear	
			Renter 43K	
Renter 64K				
		Owned Free and	Clear	

Source: Department of Local Affairs, Division of Housing tabulations of U.S. Census Bureau American Community Survey 1-Year Estimates for 2019, dataset provided by IPUMS USA, University of Minnesota, www.ipums.org.

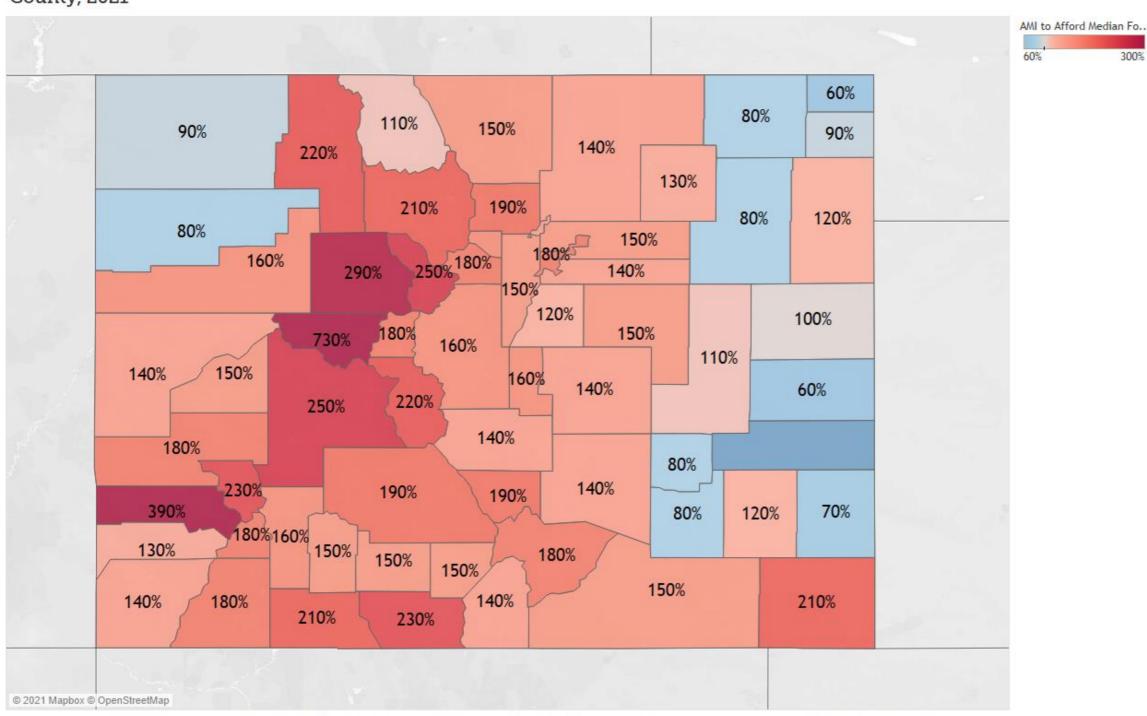
Percent of U.S. Households Not Caught Up on Rent or Mortgage by Race/Ethnicity, Age, and Income Early January 2021



Where is Affordable Housing Needed?

# Housing Affordability - Ownership

Estimated Income Required to Purchase Median Sale Price Home as Percent of Area Median Income by County, 2021



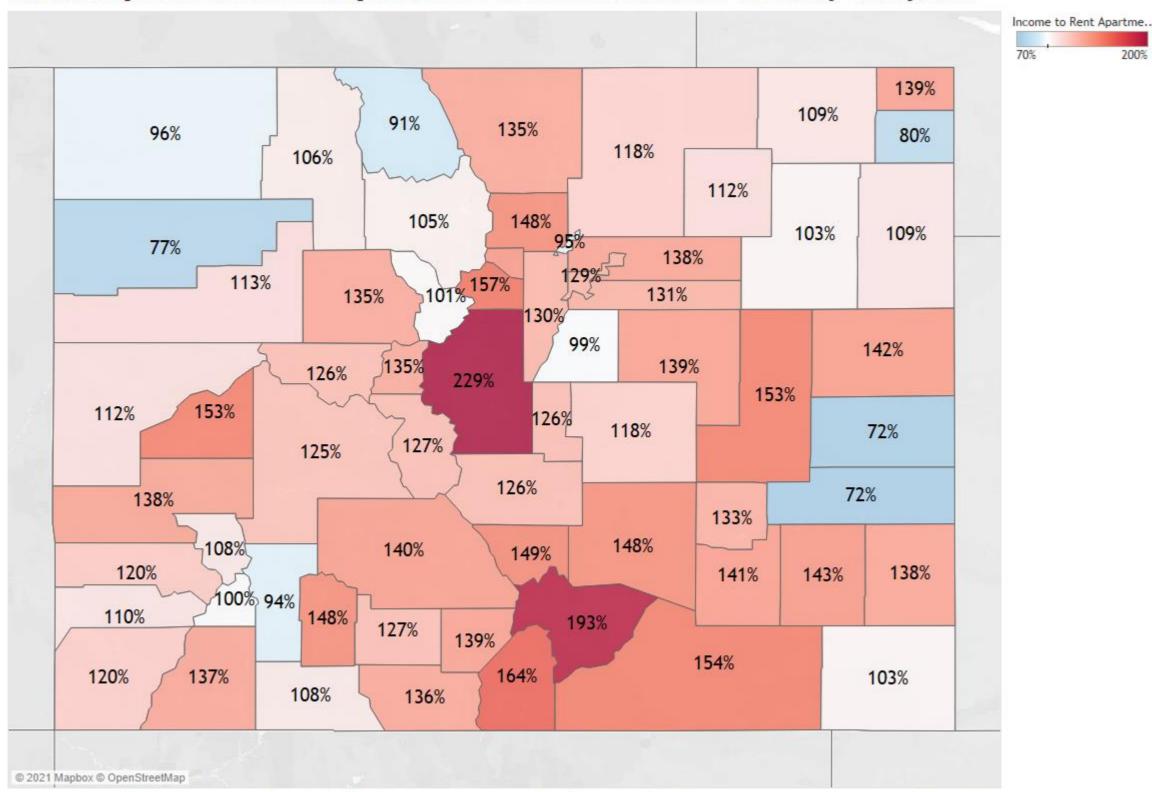
Historical Income To Afford Median Home as % of AMI (2010)		
Metro	80%-	
Areas	100%	
Resort	120%-	
Areas	250%	

300%

Source: Department of Local Affairs, Division of Housing tabulations of data provided by U.S. Census Bureau Small Area Income and Poverty Estimates Program 2019 and Colorado Association of Realtors. Data includes year-to-date home sales as of September 2021.

#### Housing Affordability - Rentals

Income Required to Rent Median Apartment as Percent of Median Renter Income by County, 2021

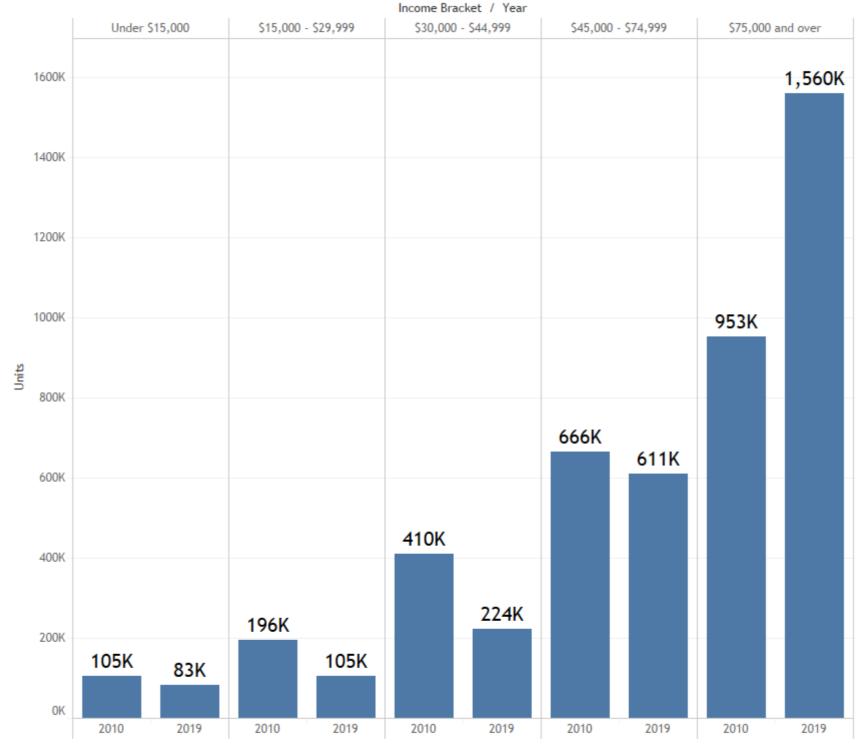


Source: Department of Local Affairs, Division of Housing tabulations of U.S. Department of Housing and Urban Development 2021 Median Rents for 2-bedroom units and U.S. Census Bureau Small Area Income and Poverty Estimates Program 2019.

# What Housing is Needed?

#### Housing Stock -Trends

#### Housing Units in Colorado by Income Affordable To, Unit Type, and Year



Source: Department of Local Affairs, Division of Housing tabulations of U.S. Census Bureau American Community Survey 1-Year Estimates for 2010 and 2019, dataset provided by IPUMS USA, University of Minnesota, www.ipums.org. Incomes and housing costs from 2010 inflated to 2019 real dollars using Consumer Price Index for All Urban Consumers, All Items in U.S. City Average provided by U.S. Bureau of Labor Statistics, republished by Federal Reserve Bank of Atlanta, FRED.

Notes: Much of the increase in home-ownership units affordable at and above \$75,000 in household income (about 340k) is likely due to home price appreciation and loss of stock affordable at low income levels, while about 190k is from new construction.







## Appendix

### Residual Income for Households Earning \$0-\$25k

Not Cost Burdened

(0%-30% Income on Housing)





















(\$)

Mild/Moderate Cost Burden

(31%-50% Income on Housing)





















Severe Cost Burden

(50%+ Income on Housing)

(\$)

#### Residual Income for Households Earning \$25-\$50k

Not Cost Burdened

(0%-30% Income on Housing)

















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Mild/Moderate Cost Burden

(31%-50% Income on Housing)









(\$)













(\$)







Severe Cost Burden

(50%+ Income on Housing)





















#### Residual Income for Households Earning \$50-\$75k

Not Cost Burdened

(0%-30% Income on Housing)

#### \$ \$ \$ \$ \$ \$















Mild/Moderate Cost Burden

(31%-50% Income on Housing)

















**(\$) (\$)** 

Severe Cost Burden

(50%+ Income on Housing)





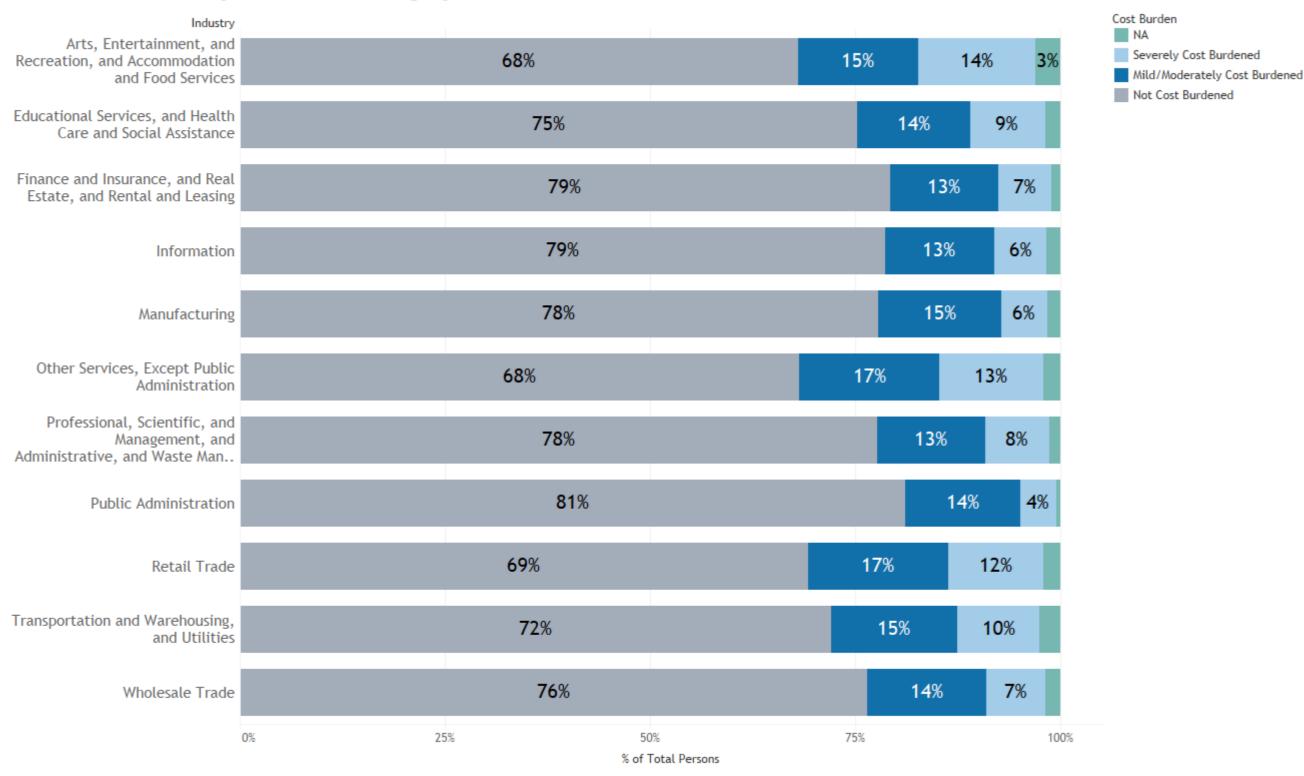






#### Housing Needs - Workforce

Percent of Workers by Cost Burden Category and Sector, Colorado 2019 Estimates

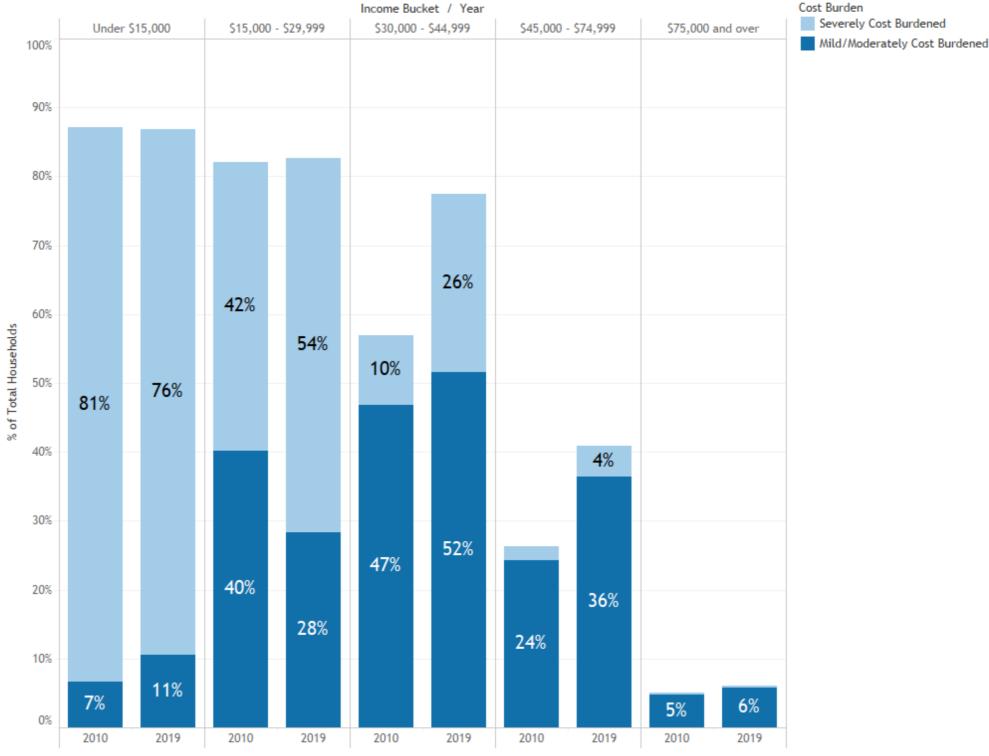


Severely Cost Burdened

Source: Department of Local Affairs, Division of Housing tabulations of U.S. Census Bureau American Community Survey 1-Year Estimates for 2019, dataset provided by IPUMS USA, University of Minnesota, www.ipums.org.

#### Housing Needs -Income

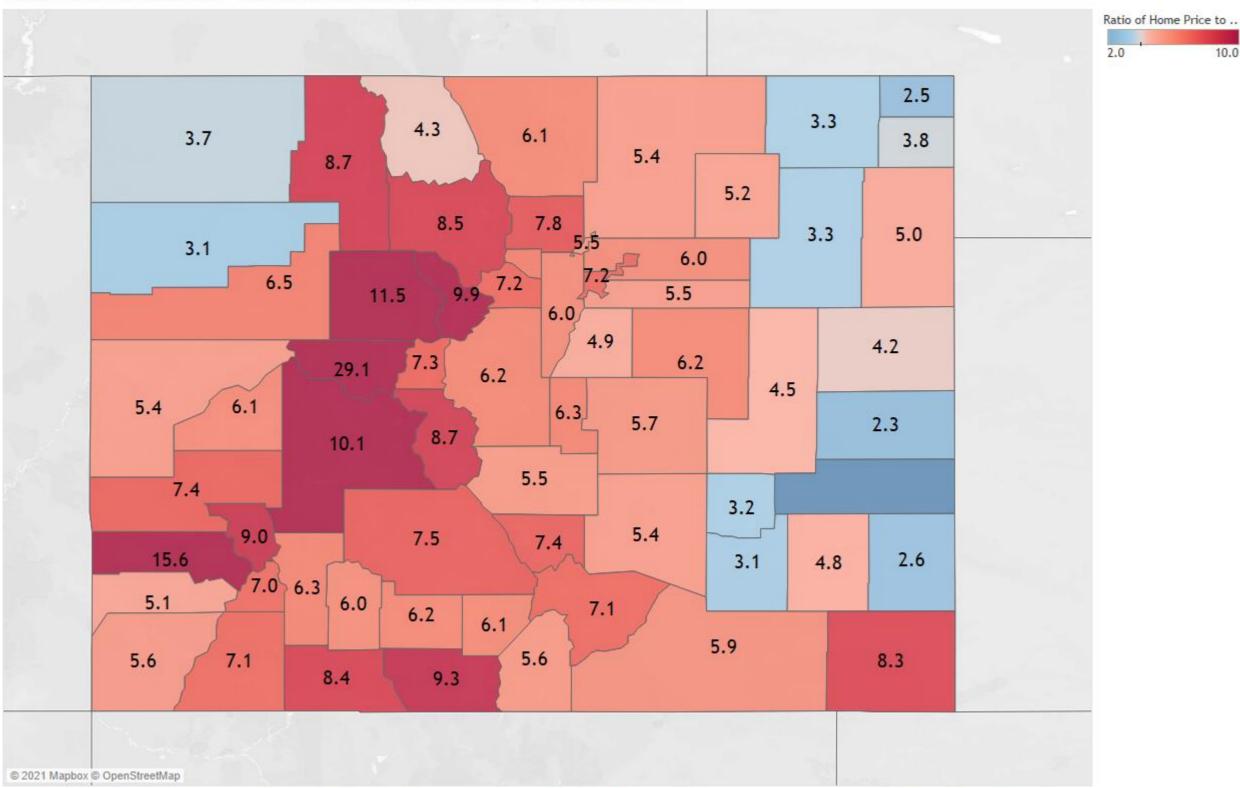
Renter Households Experiencing Housing Cost Burden in Colorado by Income, Year, and Cost Burden Level (real dollars)



Source: Department of Local Affairs, Division of Housing tabulations of U.S. Census Bureau American Community Survey 1-Year Estimates for 2010 and 2019, dataset provided by IPUMS USA, University of Minnesota, www.ipums.org. Incomes and housing costs from 2010 inflated to 2019 real dollars using Consumer Price Index for All Urban Consumers, All Items in U.S. City Average provided by U.S. Bureau of Labor Statistics, republished by Federal Reserve Bank of Atlanta, FRED.

#### Housing Affordability - Ownership

Ratio of Median Home Sale Price to Median Income by County, 2021



Historical Ratio Levels (2010)	
Metro Areas	3-4
Resort Areas	5-10

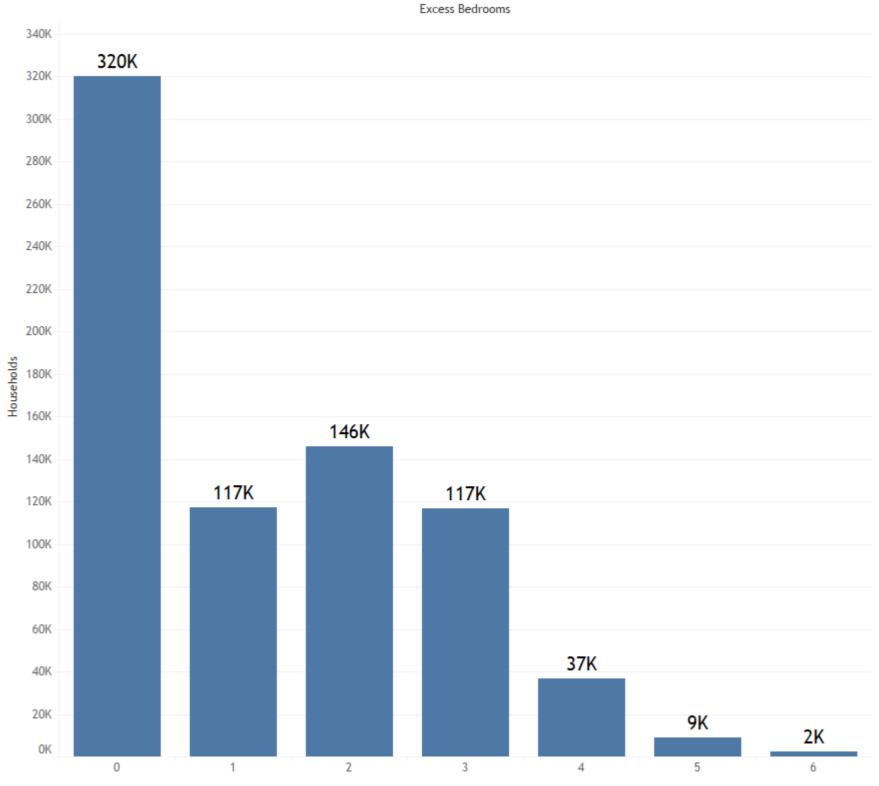
10.0

Source: Department of Local Affairs, Division of Housing tabulations of data provided by U.S. Census Bureau Small Area Income and Poverty Estimates Program 2019 and Colorado Association of Realtors. Data includes year-to-date home sales as of September 2021.



#### Housing Stock - Senior Focus

Senior Households by Count of Excess Bedrooms, 2019



Source: Department of Local Affairs, Division of Housing tabulations of U.S. Census Bureau American Community Survey 1-Year Estimates for 2019, dataset provided by IPUMS USA, University of Minnesota, www.ipums.org.